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DEC 13 1957

Honorable Franklin G. Floete
Administrator
General Services Administration
Washington 25, D. C.

Dear Mr. Floete:

The Department of Defense draft proposal dated September 10, 1957, entitled "Section IV, Contract Cost Principles" forwarded with your letter of November 4, 1957, has been carefully reviewed.

It is noted that the proposal is framed for inclusion in the DOD's Armed Services Procurement Regulations and that the Department of Defense will consider the comments of civilian agencies with the view that the final draft will prove suitable for Government-wide application.

As you may know, it is the policy of this Agency to utilize the Armed Services Procurement Regulations insofar as practicable in conducting its contract activities and for that reason the revised cost principles will have a considerable impact on the contracting policies of this Agency. It is recognized that there has been a long standing need for a uniform set of cost principles which could be applied to the overall procurement process and it is considered that the benefits to be gained from such uniform cost principles outweigh other considerations.

Under the circumstances, I am able to inform you that this Agency concurs in the proposed revision.

Sincerely,

Signed

L. K. White
Deputy Director

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